

Message Text

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QUOTE

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TAGS: EWWT, USSR, US

SUBJECT: US-USSR MARITIME AGREEMENT SIGNED DECEMBER 29,
1975

1. THE NEW US-USSR MARITIME AGREEMENT EXTENDS THROUGH
DECEMBER 31, 1981 SUBJECT TO EARLIER TERMINATION BY EITHER
PARTY, WITH 90 DAYS NOTICE. IT WAS SIGNED BY SECRETARY
MORTON IN WASHINGTON AND MINISTER GUZHENKO IN MOSCOW.
THE AGREEMENT, WHICH BECAME EFFECTIVE ON JANUARY 1, SUPPLANTS
THE THREE-YEAR ACCORD BETWEEN THE TWO NATIONS WHICH EXPIRED
DECEMBER 31, 1975 AND IS DESIGNED TO EXTEND THE BASIC AR-
RANGEMENTS IN EFFECT SINCE 1972 CONCERNING THE CARRIAGE OF
CARGOES BETWEEN THE UNITED STATES AND THE SOVIET UNION, IN-
CLUDING THE RATE ARRANGEMENTS ON GRAIN SHIPMENTS TO THE
U.S.S.R. THAT WAS AGREED TO ON SEPTEMBER 17, 1975.

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2. FOLLOWING ARE HIGHLIGHTS OF THE FACT SHEET CONCERNING
THE NEW PACT:

A) PORT ACCESS - THE AGREEMENT PROVIDES ACCESS TO SPECIFIED
SOVIET AND UNITED STATES PORTS TO FLAG VESSELS OF BOTH COUN-

TRIES ENGAGED IN COMMERCIAL MARITIME SHIPPING AND MERCHANT MARINE TRAINING ACTIVITIES. UNDER THE AGREEMENT, 40 PORTS IN EACH NATION ARE OPEN TO ACCESS BY VESSELS OF THE OTHER NATION UPON FOUR DAYS' ADVANCE NOTICE TO THE APPROPRIATE

AUTHORITIES. THE SELECTION OF THE PORTS WAS BASED ON COMMERCIAL CONSIDERATIONS, REASONABLE RECIPROCITY AND PROTECTION OF NATIONAL SECURITY INTERESTS. THE U.S. PORTS OPEN TO ACCESS BY SOVIET VESSELS DURING THE TERMS OF THE NEW AGREEMENT WILL BE THE SAME AS THOSE OPEN UNDER THE AGREEMENT OF OCTOBER 14, 1972. ENTRY OF VESSELS TO PORTS NOT SPECIFIED IN THE AGREEMENT WILL CONTINUE TO BE PERMITTED IN ACCORDANCE WITH EXISTING RULES AND REGULATIONS, I.E., THE 14-DAY PRIOR REQUEST PROVISIONS WILL STILL APPLY. REQUESTS FOR ENTRY BY SOVIET VESSELS TO U.S. PORTS NOT SPECIFIED IN THE AGREEMENT MUST BE MADE OF THE DEPARTMENT OF STATE, WASHINGTON, D.C.; AND MUST BE ACCOMPANIED BY AN ITINERARY COMPLETE WITH PORTS OF CALL AND DATES. MARITIME TRAINING VESSELS AND HYDROGRAPHIC AND OTHER RESEARCH VESSELS MAY ENTER THE PORTS ONLY FOR PURPOSES OF RESUPPLY, REST, CREW CHANGES, MINOR REPAIRS AND OTHER SERVICES NORMALLY PROVIDED IN SUCH PORTS, IN ADDITION THE AGREEMENT CONTEMPLATES THE ACCESS OF INITIALLY 76 U.S. VESSELS ENGAGED IN HYDROGRAPHIC, OCEANOGRAPHIC, METEOROLOGICAL OR TERRESTRIAL MAGNETIC FIELD RESEARCH OF A CIVILIAN NATURE.

B) EXCLUSIONS - THE AGREEMENT DOES NOT INCLUDE VESSELS ENGAGED IN FISHING OR RELATED ACTIVITIES SINCE THESE MATTERS ARE COVERED BY SEPARATE AGREEMENTS, NOR DOES IT INCLUDE WARSHIPS OR VESSELS CARRYING OUT STATE FUNCTIONS OTHER THAN THOSE MENTIONED ABOVE. IT IS NOT INTENDED TO COVER ANY LIQUEFIED NATURAL GAS TRADE WHICH MAY DEVELOP BETWEEN THE NATIONS. ARRANGEMENTS FOR POSSIBLE CARRIAGE OF LNG BY U.S. AND U.S.S.R. VESSELS WILL BE NEGOTIATED IN CONNECTION WITH THE DEVELOPMENT FOR THE SALE OF LNG FOR USE IN THE UNITED STATES.

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C) TONNAGE DUTIES - UNDER THE AGREEMENT, NEITHER NATION SHALL CHARGE VESSELS OF THE OTHER TONNAGE DUTIES WHICH EXCEED DUTIES CHARGED TO VESSELS OF OTHER NATIONS IN LIKE SITUATIONS.

D) EQUAL AND SUBSTANTIAL SHARING - THE AGREEMENT SETS FORTH THE INTENTION OF BOTH GOVERNMENTS THAT THE NATIONAL-FLAG VESSELS OF EACH COUNTRY WILL EACH CARRY EQUAL AND SUBSTANTIAL SHARES OF THE OCEANBORNE COMMERCE BETWEEN THE TWO NATIONS. AT THE SAME TIME THE AGREEMENT RECOGNIZES THE POLICY OF BOTH THE UNITED STATES AND THE SOVIET UNION WITH RESPECT TO PARTICIPATION IN ITS TRADE BY THIRD-FLAG VESSELS. THE INTENTION THAT A SUBSTANTIAL SHARE OF THE TRADE BETWEEN

THE TWO NATIONS WILL BE CARRIED BY EACH NATIONAL FLAG MERCHANT MARINE IS DEFINED AS MEANING THAT THE NATIONAL FLAG VESSELS OF EACH NATION WILL HAVE THE OPPORTUNITY TO CARRY

NOT LESS THAN ONE-THIRD OF ALL CARGOES MOVING IN WHOLE OR IN PART BY SEA BETWEEN THE TWO NATIONS, WHETHER BY DIRECT MOVEMENT OR BY TRANSSHIPMENT THROUGH THIRD COUNTRIES. EQUAL SHARE OF THE TRADE BETWEEN THE TWO NATIONS IS MEASURED ON THE BASIS OF U.S. DOLLAR FREIGHT VALUE OF CARGO CARRYINGS FOR NATIONAL-FLAG LINER VESSELS OF EACH PARTY DURING EACH CALENDER YEAR ACCOUNTING PERIOD. FOR BULK CARGOES CARRIER IN THE NON-LINER SERVICE, THE EQUAL SHARE IS MEASURED BY WEIGHT TONS OF CARRYINGS UNDER CHARTER PARTIES, CONTRACTS OR OTHER ARRANGEMENTS COVERING THE CARRIAGE OF CONTROLLED CARGO BY VESSELS UNDER THE FLAG OF EACH PARTY, COMPUTED FOR ACCOUNTING PURPOSES BY GENERAL COMMODITY CATEGORIES SUCH AS GRAIN, OIL AND ORE. SPECIAL ACCOUNTING PROCEDURES ARE ESTABLISHED TO DETERMINE, ON A UNIFORM BASIS, THE U.S. DOLLAR FREIGHT VALUE OF LINER CARGO CARRYINGS. SUCH PROCEDURES PROTECT AGAINST THE POSSIBILITY OF DISPARITIES CAUSED BY THE UNDERVALUING OF LINER FREIGHT RATES TO INCREASE THE VOLUME OF CARGO CARRIED. THESE PROCEDURES ARE ALSO DESIGNED TO PERMIT CONTINUOUS MONITORING SO AS TO MAINTAIN PARITY OF CARRIAGE THROUGHOUT THE ACCOUNTING PERIOD. THE OPPORTUNITY FOR CARRIAGE OF EQUAL AND SUBSTANTIAL SHARES OF THE TRADE BETWEEN THE TWO NATIONS BY NATIONAL-FLAG SHIPS IS TO BE ASSURED BY THE ROUTING OF CONTROLLED CARGOES, I.E., CARGOES WITH RESPECT TO WHICH ENTITIES OF UNCLASSIFIED

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EITHER GOVERNMENT HAVE THE POWER TO DESIGNATE THE CARRIAGE. ON THE U.S. SIDE, THIS INCLUDES ONLY THOSE CARGOES WHICH ARE SUBJECT TO U.S. GOVERNMENT CONTROL UNDER OUR CARGO PREFERENCE LAWS. ON THE SOVIET SIDE, ALL EXPORTS AND IMPORTS FOR WHICH ENTITIES OF THE U.S.S.R. HAVE OR COULD HAVE THE POWER AT ANY TIME TO DESIGNATE THE CARRIER ARE INCLUDED. RECOGNITION HAS BEEN GIVEN TO THE PRACTICAL COMMERCIAL CONSIDERATION THAT VESSELS OF EITHER NATION MAY NOT BE AVAILABLE TO CARRY THE AMOUNT OF CARGO TO WHICH THEY ARE ENTITLED UNDER THE PRINCIPLES OF THE AGREEMENT. UNDER SUCH CIRCUMSTANCES, A LIMITED VARIANCE FROM THE EQUAL AND SUBSTANTIAL SHARING RULES IS PROVIDED. SUCH VARIANCE IS PERMITTED WHERE THE CARGO WAS OFFERED ON REASONABLE TERMS AND CONDITIONS AND WHERE THE UNAVAILABILITY OF NATIONAL-FLAG CARRIERS IS CERTIFIED BY A REPRESENTATIVE OF THE U.S. MARITIME ADMINISTRATION OF U.S.S.R. MINISTRY OF MERCHANT MARINE, AS THE CASE MAY BE. EVEN THOUGH UNAVAILABILITY HAS BEEN CERTIFIED BY THE APPROPRIATE REPRESENTATIVE, THERE IS STILL AN OBLIGATION TO CONTINUE TO OFFER CONTROLLED CARGO TO RESTORE THE ONE-THIRD SHARE IF POSSIBLE WITHIN THE SAME CALENDER YEAR.

E) LINER FREIGHT RATES - WITH RESPECT TO LINER SERVICE, U.S. - FLAG CARRIERS HAVE EXPERIENCED NO DIFFICULTY IN PARTICIPATING IN THIS TRADE AT EXISTING RATE LEVELS, AND WILL CONTINUE TO DO SO UNDER THE TERMS OF THE NEW AGREEMENT.

F) BULK FREIGHT RATES - THE MATTER OF FREIGHT RATES TO BE PAID TO U.S. VESSELS IN THE BULK TRADES IS AN IMPORTANT PROVISION OF THE AGREEMENT. THE MOST IMPORTANT CATEGORY OF CHARTER RATES IS FOR AGRICULTURAL COMMODITIES AND PRODUCTS. UNDER TERMS OF THE AGREEMENT SUCH CARGOES SHALL BE CARRIED AT A MUTUALLY ACCEPTABLE RATE. FOR FIXTURES MADE BETWEEN JANUARY 1, 1976 AND DECEMBER 31, 1976 BOTH SIDES AGREED TO CONTINUE THE INDEXING METHOD ARRIVED AT ON SEPTEMBER 17, 1975 FOR THE ESTABLISHMENT OF CHARTER RATES FOR U.S. FLAG VESSELS. UNDER THIS METHOD THE MINIMUM FREIGHT RATE WHICH WILL BE PAYABLE TO U.S. FLAG VESSEL OPERATORS FOR THE CARRIAGE OF GRAIN FROM U.S. GULF PORTS TO SOVIET BLACK SEA PORTS WILL BE 16 DOLS. PER LONG TON. THE NEW BASE FOR THE INDEX USES AUGUST 1975 AS THE BASE PERIOD, WHEN UNCLASSIFIED

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THE GULF/HOLLAND-BELGIUM RATE AVERAGED 4 DOLS. AND 32 CENTS AND THE CORRESPONDING GULF/BLACK SEA RATE WAS ESTABLISHED AT 13 DOLS. DURING ANY PERIOD WHEN THE U.S. GULF/SOVIET BLACK SEA RATE AS DERIVED BY THE NEW INDEX IS LESS THAN THE MINIMUM RATE, A CUMULATIVE ADJUSTMENT REPRESENTING THE DIFFERENTIAL MULTIPLIED BY THE NUMBER OF TONS CARRIED WILL BE MAINTAINED IN FAVOR OF THE U.S.S.R. THIS ADJUSTMENT WILL BE REDUCED AS THE DERIVED RATE RISES ABOVE THE MINIMUM RATE. ONCE THE CREDIT IN FAVOR OF THE U.S.S.R. HAS BEEN OFFSET, THE RATE PAID TO U.S. FLAG VESSELS WILL BE IN ACCORDANCE WITH THE INDEX. BOTH SIDES AGREED TO MEET PRIOR TO JULY 1, 1976 TO DISCUSS AND REACH AGREEMENT UPON RATES FOR FIXTURES MADE AFTER DECEMBER 31, 1976. FOR THE MOVEMENTS OF DRY BULK CARGOES IN SHIPLOAD LOTS OF 8,000 LONG TONS OR MORE FROM THE UNION OF SOVIET SOCIALIST REPUBLICS TO THE UNITED STATES THE RATES SHALL BE THE THEN CURRENT MARKET RATES. DEMURRAGE RATES FOR U.S. FLAG VESSELS DURING THE ABOVE-MENTIONED PERIOD ARE THE SAME AS THOSE AGREED UPON IN SEPTEMBER 1975. BOTH PARTIES ALSO AGREED THAT, AS SOON AS POSSIBLE, BUT NOT LATER THAN 30 DAYS AFTER THE SIGNING OF ANY U.S. - U.S.S.R. OIL AGREEMENT, THE DESIGNATED REPRESENTATIVES WOULD MEET FOR THE PURPOSE OF FULFILLING THEIR RESPONSIBILITIES, IF ANY, UNDER SUCH OIL AGREEMENT AND, IF REQUIRED, FOR THE PURPOSE OF ESTABLISHING RATES FOR THE CARRIAGE OF CARGOES THEREUNDER.

G) TERM OF AGREEMENT - THE AGREEMENT REMAINS IN FORCE THROUGH DECEMBER 31, 1981, SUBJECT TO EARLIER TERMINATION BY EITHER PARTY ON 90-DAYS' NOTICE. KISSINGER UNQUOTE KISSINGER

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